



IOWA AGRICULTURAL
DEVELOPMENT DIVISION

IADD BOARD MEETING MINUTES

Via conference call

June 27, 2014

Board Members Present

Lyle Borg, Vice Chair John Fredrickson
Stacie Euken

Board Members Absent

Mark Leonard, Chair Annette Townsley

Staff Members Present

Lori Beary, Community Development Director Tim Jansen, Accounting Manager
Steve Ferguson, IADD Program Specialist Tammy Nebola, IADD Program Specialist
Cindy Harris, CFO

Others Present

Dave Claypool

Call to Order

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Vice Chair Borg on June 27, 2014 at 8:40 am. A quorum was established with the following Board Members present: Borg, Euken, and Fredrickson.

Review of Minutes of May 28, 2014 Board Meeting

Mr. Borg presented the minutes of the May 28, 2014 IADD Board Meeting.

MOTION

Hearing no comments or corrections, the minutes of the May 28, 2014 IADD Board meeting were approved by acclamation.

Review of May 2014 financial statement

Tim Jansen presented the May 2014 financials. He stated that this month we received \$17,805 in BFLP fees and \$8,500 in BFTC fees. The year-to-date operating income is \$389,292, year-to-date operating expense is \$373,196 and year-to-date net operating income is \$16,096.

MOTION

On a motion by Mr. Borg and a second by Ms. Euken, the Board unanimously approved the May 2014 financial statement as presented.

FY15 IADD Budget

Mr. Jansen asked if there were questions regarding the draft FY15 IADD Budget that was distributed earlier.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Euken, the Board unanimously recommended approval of the FY15 IADD budget.

Loan Participation Program

P-0189 - Martin and Jessica Geelan - Loan Participation of \$150,000 with Iowa State Bank in Ruthven to assist with the construction of a 2400 head hog finishing building in Palo Alto County. The borrowers have also applied for a BFLP. Ms. Nebola went over some additional information that was sent to the Board after the meeting packet had been mailed. With these updates, most of the required ratios were met. A loan committee consisting of Mark Leonard and Stacie Euken previously reviewed the application and recommended approval.

P-0190 - Michael and Nicholas Murch - Loan Participation of \$15,000 with Lincoln Savings Bank in Reinbeck to assist with the construction of 2 new hoop buildings for finishing hogs in Black Hawk County. Ms. Nebola explained that all the required LPP criteria are met. A loan committee consisting of Mark Leonard and Stacie Euken previously reviewed the application and recommended approval.

MOTION

On a motion by Ms. Euken and a second by Mr. Borg, the Board unanimously approved Loan Participations for Martin and Jessica Geelan and for Michael and Nicholas Murch.

Beginning Farmer Loan Applications

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 14-026-I – Connor Cummings – Beginning farmer loan of \$140,000 to purchase approximately 40 acres of agricultural land, house and outbuildings in Marion County. The loan will have a fixed interest rate of 2.00% and a loan length of 20 years. The contract seller is Donald Taft of Granger, Iowa.

AG 14-027 – Martin and Jessica Geelan – Beginning farmer loan of \$250,000 to construct a 2,400-head hog finishing building in Palo Alto County. The loan will have a variable interest rate of 4.50% and a loan length of 12 years. The index will be 1% below the 3-year AG Real Estate adjustable rate. The lender is Iowa State Bank in Ruthven, Iowa.

AG 14-028 – Brett Westra – Beginning farmer loan of \$100,000 to construct a ½ interest in a 2,400 head hog barn in Lyon County. The loan will have a variable interest rate of 3.80% and a loan length of 15 years. The index will be 70% of American State Bank’s base rate. The lender is American State Bank in Hull, Iowa.

AG 14-029 – Kyle Westra – Beginning farmer loan of \$100,000 to construct a ½ interest in a 2,400 head hog barn in Lyon County. The loan will have a variable interest rate of 3.80% and a loan length of 15 years. The index will be 70% of American State Bank’s base rate. The lender is American State Bank in Hull, Iowa.

MOTION

On a motion by Mr. Fredrickson and a second by Mr. Borg, the Board unanimously recommended approval of the Beginning Farmer Loan Applications.

Public Hearing on Beginning Farmer Loans

A public hearing was held by the IADD Board at the Iowa Finance Authority office on June 27, 2014 at 8:55 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 8:56 am.

MOTION

On a motion by Ms. Euken and seconded by Mr. Fredrickson, the Board unanimously recommended approval of the BFLP Bond documents.

Beginning Farmer Tax Credit Applications

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit applications. There were 15 new BFTC applications for an estimated tax credit amount of \$114,885. With tax credits approved previously and these tax credits, \$4,608,140 in tax credits have been allocated so far in 2014.

MOTION

On a motion by Mr. Borg and a second by Ms. Euken, the Board unanimously recommended approval of the Beginning Farmer Tax Credit applications 1526 – 1534, 1536 – 1539, 1541 and 1542.

Marketing Update

Included in the Board packet was the IADD marketing calendar. Steve Ferguson discussed the workshops he’s been holding and the ones coming up. IADD will be an exhibitor at ISU’s Center for Agricultural Law and Taxation seminars and farm income tax schools this fall.

Other Business

Included in the packet was HR 4757 introduced by Rep. Latham. The bill would increase the amount of bonds for agricultural improvements and depreciable property from \$250,000 to the amount allowed for land purchase (currently \$509,000). It would also change the maximum amount of land a beginning farmer can own to 30% of the county average rather than 30% of the county median. This change was made for FSA loans in the farm bill. Rep. Loebsack has agreed to be the leading Democrat on the bill. We have contacted Senator Grassley's office to ask if he would introduce the bill in the Senate.

Information about the national conferences for NCOSAFP and NAARC was recently sent to all Board members. Mr. Ferguson reported that Mark Leonard is planning on attending the NARRC conference. Ms. Euken, Mr. Borg and Mr. Fredrickson all said they would not be attending either of the national conferences this year.

John Fredrickson gave a brief summary of the joint board workshop he attended in Waterloo. He noted that the focus was to educate board members on the Iowa Title Guaranty Division.

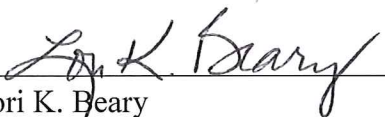
The next IADD Board meeting will be on Wednesday, July 23, 2014 at 8:30 a.m. via conference call.

Adjournment

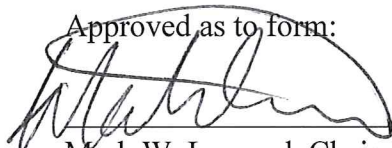
There being no further business, the June 27, 2014 meeting of the IADD Board of Directors adjourned at 9:11am.

Dated this 23rd day of July 2014.

Respectfully submitted:



Lori K. Beary
Director's Designee/Board Secretary

Approved as to form:


Mark W. Leonard, Chair
IADD Board